

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED GAS)	
ADJUSTMENT FILING OF PHELPS)	CASE NO. 90-078-I
GAS COMPANY, INC.)	

O R D E R

On December 7, 1990, the Commission issued its Order in Case No. 90-078 approving certain adjustments in rates and providing under certain conditions for the further adjustment of such rates on a quarterly basis in accordance with the provisions of the gas cost adjustment ("GCA") clause set forth therein.

On March 30, 1993, Phelps Gas Company, Inc. ("Phelps") filed its quarterly GCA, which is to become effective May 1, 1993 and is to remain in effect until July 31, 1993.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. Phelps' notice of March 30, 1993 set out certain revisions in rates which Phelps proposed to place into effect, said rates being designed to pass on to its customers the expected wholesale gas cost from its supplier. The Commission takes administrative notice that the rate schedule supplied to Phelps by its gas supplier, Columbia Gas of Kentucky ("Columbia"), to be effective March 1, 1993 was not approved by this Commission. Phelps should use the wholesale rate approved for Columbia in Case

No. 90-063-G,¹ which was effective April 1, 1993. Phelps' correct expected gas cost ("EGC") adjustment for the quarter beginning May 1, 1993 is \$3.8294 per Mcf.

2. Phelps' notice included a current actual adjustment ("AA") in the amount of 4.15 cents per Mcf to compensate for under-recoveries from its customers resulting from the operation of its GCA during the months of November and December 1992 and January 1993. Phelps' total AA in the amount of (6.91) cents per Mcf is calculated to return the current under-recovery, as well as over and under-recoveries from previous quarters.

3. Phelps' notice does not include a refund adjustment.

4. The combined effect of the above adjustments is Phelps' gas cost recovery rate ("GCR") in the amount of \$3.7603 per Mcf, a decrease of 34.69 cents per Mcf from its last approved rates.

5. The rates set out in the Appendix to this Order, pursuant to the GCA provisions approved by the Commission in its Order in Case No. 90-078 dated December 7, 1990, are fair, just, and reasonable, in the public interest, and should be effective with gas supplied on and after May 1, 1993.

IT IS THEREFORE ORDERED that:

1. The rates proposed by Phelps be and they hereby are denied.


¹ Case No. 90-063-G, The Notice of Purchased Gas Adjustment Filing of Columbia Gas of Kentucky, Inc., Order dated April 1, 1993.

2. The rates in the Appendix, attached hereto and incorporated herein, are fair, just, and reasonable, and are approved effective with gas supplied on and after May 1, 1993.

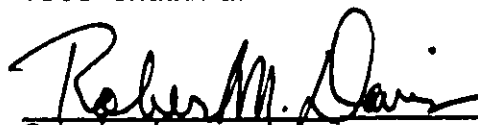
3. Within 30 days of the date of this Order, Phelps shall file with this Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 29th day of April, 1993.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 90-078-I DATED April 29, 1993

The following rates and charges are prescribed for the customers in the area served by Phelps Gas Company, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

RATES:

Monthly

	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total</u>
First 1 Mcf - Minimum Bill	\$4.3971	\$3.7603	\$8.1574
Over 1 Mcf	2.7670	3.7603	6.5273

The base rate for the future application of the purchased gas adjustment clause of Phelps Gas Company, Inc. shall be:

Commodity

Columbia Gas of Kentucky, Inc. \$3.9393 Per Mcf